

3/31/15

3:12 P.M.

Chapter No. 429
15/HR26/R1086SG
glg / EW

HOUSE BILL NO. 572



Originated in House _____ Clerk

HOUSE BILL NO. 572

AN ACT TO ESTABLISH A COMMISSION ON HOLMES-DURANT CONSOLIDATED SCHOOL DISTRICT STRUCTURE TO MAKE RECOMMENDATIONS TO THE 2016 REGULAR SESSION OF THE LEGISLATURE REGARDING THE METHOD FOR CONSOLIDATING THE COUNTY INTO ONE SCHOOL DISTRICT WITH ONE LOCAL SCHOOL BOARD; TO BRING FORWARD SECTION 37-7-103, MISSISSIPPI CODE OF 1972, FOR PURPOSE OF POSSIBLE AMENDMENTS; TO AMEND SECTION 37-7-104.3, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE SPECIAL AD VALOREM TAXES LEVIED BY THE BOARD OF SUPERVISORS OF OKTIBBEHA COUNTY TO PAY THE PRINCIPAL AND INTEREST ON CERTAIN NOTES AND BONDS ISSUED AFTER JULY 1, 2015, FOR EQUIPMENT AND SCHOOL FACILITY CAPITAL IMPROVEMENTS IN THE FORMER OKTIBBEHA COUNTY SCHOOL DISTRICT SHALL BE ON ALL TAXABLE PROPERTY OF THE NEW STARKVILLE-OKTIBBEHA CONSOLIDATED SCHOOL DISTRICT; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. (1) There is hereby created and established an advisory council to be known as the Commission on Holmes-Durant Consolidated School District Structure. It shall be the responsibility of the Commission on Holmes-Durant Consolidated School District Structure to review the current structure of the school districts and schools in Durant, Mississippi, and in Holmes County, Mississippi, and make recommendations on future actions of the provision and transition of service of the newly consolidated

school district in order to improve both the quality of education and the efficiency with which it is delivered. The commission shall be composed of ten (10) members as follows:

(a) The State Superintendent of Education, or his designee, who shall serve as Chairman of the Commission;

(b) Two (2) representatives of the Holmes County School District appointed by the Board of Education of the Holmes County School District and who may be members of the board;

(c) Two (2) representatives of the Durant Public School District to be appointed by the State Superintendent of Education who may be members of the school board;

(d) The Superintendents of Schools of the Holmes County School District and the Durant Public School District;

(e) The Mayor of the City of Durant, or his designee;

(f) One (1) member of the Holmes County Board of Supervisors; and

(g) One (1) member who shall be a parent of a student enrolled in the Durant Public School District to be appointed by the Mayor of Durant.

The Commission on Holmes-Durant Consolidated School District Structure shall meet within thirty (30) days of passage of this act upon the call of the State Superintendent of Education and shall hold hearings and meet as necessary and develop a report to the Legislature, the Governor and the State Board of Education on

or before January 1, 2016, with recommendations to accomplish the following:

(a) Review the current structure of school districts and the location of schools in Durant, Mississippi, and Holmes County, Mississippi, and recommend how they can be consolidated into one (1) school district in order to improve both the quality of education and the efficiency at which it is delivered.

(b) Review the capital facility needs of both school districts and recommend methods of financing necessary improvements, including the possibility of pledging Mississippi Adequate Education Program funds for capital improvement purposes.

(c) Detail in the report how best to implement consolidation and make any other recommendations on how to maximize education quality in Durant and Holmes County while eliminating duplicative and wasteful administrative spending.

The commission shall have the authority to raise and to expend nonstate funds. The State Department of Education shall provide staff and such other support as the commission deems appropriate. After submitting its report on or before January 1, 2016, the commission shall be dissolved.

SECTION 2. Section 37-7-103, Mississippi Code of 1972, is brought forward as follows:

37-7-103. From and after July 1, 1987, the school board of any school district shall have full jurisdiction, power and authority, at any regular meeting thereof or at any special

meeting called for that purpose, to abolish such existing district, or to reorganize, change or alter the boundaries of any such district. In addition thereto, with the consent of the school board of the school district involved, the school board may add to such school district any part of the school district adjoining same, and with the consent of the school board of the school district involved, may detach territory from such school district and annex same to an adjoining district. Provided, however, that the consent of the school board of the school districts involved in implementing the provisions of **Section 37-7-104 or Section 37-7-104.2 or Section 37-7-104.3** shall not be required for the administrative consolidation of such school districts pursuant to the order of the State Board of Education.

SECTION 3. Section 37-7-104.3, Mississippi Code of 1972, is amended as follows:

37-7-104.3. (1) In Oktibbeha County, Mississippi, in which are located, as of January 1, 2013, two (2) school districts, there shall be an administrative consolidation of all of those school districts in the county into one (1) new countywide municipal separate school district to be designated as Starkville-Oktibbeha Consolidated School District which shall consist of the territory of the former Oktibbeha County School District and the Starkville School District, effective on July 1, 2015. Until June 30, 2015, preceding the effective date of the required administrative consolidation of school districts in the

county, the Oktibbeha County School District shall remain in conservatorship, under the authority and control of the Mississippi Recovery School District of the State Department of Education. At such time that the administrative consolidation becomes effective, the central administrative office of the Starkville-Oktibbeha Consolidated School District shall be located in Starkville, Mississippi.

(2) (a) On or before July 1, 2014, the State Board of Education shall serve the local school board of the Starkville School District with notice and instructions regarding the timetable for action to be taken to comply with the administrative consolidation required in this section.

(b) In the new consolidated school district there shall be a countywide municipal separate school district board of trustees, which shall consist of the existing members of the Board of Trustees of the Starkville School District. However, upon the first occurrence of a vacancy on the board as a result of an expired term of an appointed board member, that vacancy shall become an elected position and shall be filled by the election of a board member as follows: the 2016 expiring term board member shall remain in office until January 1, 2017. In November 2016, an election will be held for a board member who resides outside of the incorporated municipal limits in the manner prescribed in Section 37-7-203, and the elected board member will take office for a five-year term beginning January 1, 2017. Subsequent board

members shall be selected in the manner prescribed in Section 37-7-203. The Board of Supervisors of Oktibbeha County shall publish notice of the school board elections in some newspaper of general circulation in the county for at least three (3) consecutive weeks.

(c) Any school district affected by the required administrative consolidation in the county that does not voluntarily consolidate as ordered by the State Board of Education shall be administratively consolidated by the State Board of Education, to be effective immediately upon action of the State Board of Education. The State Board of Education shall promptly move on its own motion to administratively consolidate a school district which does not voluntarily consolidate in order to enable the affected school districts to reasonably accomplish the resulting administrative consolidation into one (1) consolidated school district by July 1 following the motion to consolidate. The affected school districts shall comply with any consolidation order issued by the State Board of Education.

(3) On July 1, 2015, following the motion of State Board of Education to consolidate school districts in Oktibbeha County, the Oktibbeha County School District shall be abolished. All real and personal property which is owned or titled in the name of the school district located in such former school district shall be transferred to the Starkville-Oktibbeha Consolidated School District as of July 1, 2015. The Conservator of the Oktibbeha

County School District is authorized and directed to execute and record all documents and conveyances necessary to convey title to all real and personal property of the Oktibbeha County School District to the Starkville-Oktibbeha Consolidated School District. The conservator is further authorized and directed to sign all documents and to take all actions necessary to assign contracts and other property, contract rights and obligations of the Oktibbeha County School District to the Starkville-Oktibbeha Consolidated School District. The Board of Trustees of the Starkville School District shall be responsible for establishing the contracts for operations, teachers, principals, clerical and administrative staff personnel for the 2015-2016 school year prior to July 1, 2015, and shall consult with the conservator for the establishment of contracts for teachers, principals, clerical and administrative staff personnel located in the former Oktibbeha County School District for the 2015-2016 school year. In order to prepare for the efficient staffing of the Starkville-Oktibbeha Consolidated School District, the Conservator of the Oktibbeha County School District and the Superintendent of the Starkville School District shall have full authority to nonrenew the employment contract of any teacher, principal, clerical or administrative staff located within their respective school districts for the 2015-2016 school year. The superintendent and assistant superintendent(s) of schools of the former Starkville School District shall continue to serve in like administrative

capacities of the Starkville-Oktibbeha Consolidated School District, but in no instance shall the administrative leadership of the Starkville-Oktibbeha Consolidated School District exceed three (3) assistant superintendents to be appointed by the superintendent of the former Starkville School District. No superintendent serving in the former Oktibbeha County School District shall be eligible for appointment as a superintendent or assistant superintendent in the Starkville-Oktibbeha Consolidated School District. Likewise, no trustee serving in the former Oktibbeha County School District shall be eligible for election to the new Board of Trustees of the Starkville-Oktibbeha Consolidated School District. It shall be the responsibility of the board of trustees to prepare and approve the budget of the respective new reorganized district, and the board of trustees may use staff from the former school district to prepare the budget. Any transfer of the assets, real or personal property of the Oktibbeha County School District mandated by this section shall be final and conclusive for the purposes of the transfer of property required by this section to effectuate the administrative consolidation.

(4) Nothing in this section shall be construed to require the closing of any school or school facility, unless the facility is an unneeded administrative office located within a school district which has been abolished under the provisions of this section. All administrative consolidations under this section shall be accomplished so as not to delay or in any manner

negatively affect the desegregation of another school district in the county pursuant to court order.

(5) The State Board of Education shall promulgate rules and regulations to facilitate the administrative consolidation of the school districts in Oktibbeha County pursuant to the requirements of this section. Beginning with the insurance cafeteria plan year of November 1, 2014, the consolidated districts shall fall under all insurance plans and policies elected by the Starkville Public School District, including the group term life insurance described in Section 25-15-9(7).

(6) For the initial three (3) years following the administrative consolidation required by this section, the State Department of Education shall grant a waiver of accountability and state assessment requirements to the Starkville-Oktibbeha Consolidated School District, subject to the approval of the State Board of Education.

(7) As soon as practicable after * * * passage of this act, the Conservator of the Oktibbeha County School District shall initiate the issuance of notes or certificates of indebtedness of the Oktibbeha County School District for the purpose of purchasing school buses, textbooks, computers and software and other equipment and fixtures for school facilities, and for any purposes enumerated in Section 37-59-3, Mississippi Code of 1972, and making repairs, alterations, utility upgrades and additions to two (2) elementary school buildings located in the Oktibbeha County

School District in order to meet the same physical and educational standards as the elementary school buildings in Starkville, and to contribute funds to the Starkville School District for capital improvements to accommodate county school district students and increase capacity for the consolidation. The contribution of such funds to the Starkville School District is hereby authorized. Said notes or certificates of indebtedness shall be issued under the authority of Sections 37-59-101 through 37-59-115, Mississippi Code of 1972, including all notice requirements, however, the resolution as to the necessity for the issuance of the notes and the execution of the documents shall be made by the Conservator of the Oktibbeha County School District. The term of any notes or certificates of indebtedness issued under this section may not exceed the useful life of the financed project as determined according to the upper limit of useful life and depreciation guidelines established under the United States Internal Revenue Code and regulations. The levying authority for the Oktibbeha County School District, and after July 1, 2015, the levying authority for the Starkville-Oktibbeha Consolidated School District, shall annually levy a special tax on all taxable property of the former Oktibbeha County School District, and after July 1, 2015, on all taxable property of the Starkville-Oktibbeha Consolidated School District, in an amount sufficient to pay the principal of and interest on such negotiable notes or certificates of indebtedness as the same shall respectively mature and accrue.

Said tax shall be levied as provided in Section 37-59-107, Mississippi Code of 1972, except that the levy shall not exceed three (3) mills on the dollar for the payment of all notes that are subject to the levy under Section 37-59-107. Any notes or certificates of indebtedness issued pursuant to this subsection (7) shall become indebtedness of the new Starkville-Oktibbeha Consolidated School District from and after July 1, 2015, and the mandatory special ad valorem tax levied to pay the notes or certificates of indebtedness by the levying authority pursuant to Section 37-59- * * *107, Mississippi Code of 1972, shall be levied upon all of the taxable property within the * * *

Starkville-Oktibbeha * * * Consolidated School District.

(8) For a period beginning July 1, 2014, and ending June 30, 2015, the Conservator of the Oktibbeha County School District shall issue negotiable bonds of the Oktibbeha County School District for the purpose of purchasing school buses, textbooks, computers and software and other equipment and fixtures for school facilities, and making repairs, alterations and additions and utility upgrades, and for any purposes allowed by Section 37-59-3, Mississippi Code of 1972, to school facilities in the Oktibbeha County School District and in the Starkville School District to accommodate students in the former Oktibbeha County School District who will be attending school in the new Starkville-Oktibbeha Consolidated School District and the increased capacity needs under the consolidation. Said bonds

shall be issued under the authority of Sections 37-59-1 through 37-59-45, however, * * * any resolutions as to the necessity for the issuance of * * * any bonds and execution of the documents may be made periodically by the Conservator of the Oktibbeha County School District. Provided further, that the conservator shall publish * * * each resolution of necessity and intent to issue any bonds once each week for at least three (3) consecutive weeks in a newspaper having general circulation in the Oktibbeha County School District, with the first publication thereof to be made not less than fifteen (15) days prior to the date upon which the conservator is to take final action upon the question of authorizing the issuance of said bonds. If no petition requesting an election is filed prior to the date * * * and time of the meeting at which the conservator is to take final action on the issuance of * * * said bonds, then the conservator shall authorize the issuance of the bonds. If at any time prior to the date * * * and time of the meeting at which the conservator * * * is to take final action upon the question of issuing such bonds a petition signed by not less than twenty percent (20%) of the qualified electors of the Oktibbeha County School District shall be filed with the Conservator of the Oktibbeha County School District requesting that an election be called on the question of issuing the bonds, then the conservator shall either rescind the applicable resolution of intent or adopt a resolution calling an election to be held within the territory of the Oktibbeha County

School District upon such question. The election shall be called and held, and notice thereof shall be given, in the same manner for elections upon the question of bond issues under Sections 37-59-11, 37-59-13, 37-59-15 and 37-59-17, and the results thereof shall be certified by the Oktibbeha County Election Commission to the Conservator of the Oktibbeha County School District. If three-fifths (3/5) of the qualified electors of the Oktibbeha County School District who voted in such election vote in favor of the issuance of such bonds, then the conservator shall authorize the Oktibbeha County School District to issue such bonds. Notwithstanding any provision to the contrary, the Oktibbeha County School District may issue bonds pursuant to this subsection (8) in an amount which, when added to all of the Oktibbeha County School District's then outstanding bonded indebtedness, shall not result in the imposition on any of the property in said district of an indebtedness for school purposes of more than twenty percent (20%) of the assessed value of the taxable property within said district, according to the then last completed assessment for taxation. Any bonds issued pursuant to this subsection (8) shall become indebtedness of the new Starkville-Oktibbeha Consolidated School District from and after July 1, 2015, and the mandatory special ad valorem tax to be levied by the levying authority pursuant to Section 37-59-23, Mississippi Code of 1972, to pay the bonds shall be levied * * * upon * * * all taxable * * *

property * * * within the * * * Starkville-Oktibbeha * * *
Consolidated School District. * * *

(9) For a period beginning July 1, 2015, and ending July 1, 2024, the new Starkville-Oktibbeha Consolidated School District Board of Trustees may periodically issue negotiable bonds in one or more series of the Starkville-Oktibbeha Consolidated School District for the purpose of purchasing school buses, textbooks, computers and software and other equipment and fixtures for school facilities and for any purposes enumerated in Section 37-59-3, Mississippi Code of 1972. The term of any such bonds may not exceed the useful life of the financed project as determined according to the upper limit of useful life and depreciation guidelines established under the United States Internal Revenue Code and regulations. Said bonds shall be issued under the authority of Sections 37-59-1 through 37-59-45, including all notice and publication requirements, however, the necessity for the issuance of the bonds shall be made pursuant to a reverse referendum procedure to be followed by the Starkville-Oktibbeha Consolidated School District Board of Trustees as follows: the board of trustees shall publish * * * each resolution of necessity and intent to issue bonds once each week for at least three (3) consecutive weeks in a newspaper having general circulation in the Starkville-Oktibbeha Consolidated School District, with the first publication thereof to be made not less than fifteen (15) days prior to the date on which the board of trustees is to take final

action authorizing the issuance of the bonds. If no petition requesting an election is filed prior to the date * * * and time of the meeting at which the board of trustees is to take final action on the issuance of the bonds, the board of trustees shall authorize the issuance of the bonds. If at any time prior to the date * * * and time of the meeting at which the board of trustees is to take final action authorizing the issuance of the bonds a petition signed by not less than twenty percent (20%) of the qualified electors of the Starkville-Oktibbeha Consolidated School District shall be filed with the Board of Trustees of the Starkville-Oktibbeha Consolidated School District requesting that an election be called on the question of issuing the bonds, then the board of trustees shall, not later than its next regular meeting, adopt a resolution calling an election to be held within the Starkville-Oktibbeha Consolidated School District upon such question. The election shall be called and held, and notice thereof shall be given, in the same manner for elections upon the question of bond issues under Sections 37-59-11, 37-59-13, 37-59-15 and 37-59-17, and the results thereof shall be certified to the Starkville-Oktibbeha Consolidated School District Board of Trustees, as the case may be. If three-fifths (3/5) of the qualified electors of the Starkville-Oktibbeha Consolidated School District who voted in such election vote in favor of the issuance of such bonds, then the board of trustees shall issue such bonds. Notwithstanding any provision to the contrary, the

Starkville-Oktibbeha Consolidated School District may issue bonds pursuant to this subsection (9) in an amount which, when added to all of the Starkville-Oktibbeha Consolidated School District's then outstanding bonded indebtedness, shall not result in the imposition on any of the property in said district of an indebtedness for school purposes of more than twenty percent (20%) of the assessed value of the taxable property within said district, according to the then last completed assessment for taxation. Any bonds issued pursuant to this subsection (9) shall be indebtedness of the new Starkville-Oktibbeha Consolidated School District. The mandatory special ad valorem tax to be levied by the levying authority pursuant to Section 37-59-23, Mississippi Code of 1972, shall be levied on all taxable property of the Starkville-Oktibbeha Consolidated School District.

(10) Notwithstanding any law or any provision of any law to the contrary, from and after July 1, 2015, all outstanding debt of the former Oktibbeha County School District and the former Starkville School District shall be assumed by and become the debt of the new Starkville-Oktibbeha Consolidated School District. Any debt assumed by the Starkville-Oktibbeha Consolidated School District secured by a special ad valorem tax shall * * * become secured by and payable from a mandatory, special ad valorem tax which shall be levied on all taxable property in the * * * Starkville-Oktibbeha Consolidated School District * * * by the levying authority of the Starkville-Oktibbeha Consolidated School

District. All debt secured by a pledge by either district of its education enhancement funds pursuant to Section 37-61-33, Mississippi Code of 1972, or by a pledge of its Mississippi Adequate Education Program funds will continue to be secured by and payable from the same funds after the debt is assumed by the Starkville-Oktibbeha Consolidated School District as of July 1, 2015. It is the intent of the Legislature that any such pledges will remain in effect and that the pledged funds will be available to the Starkville-Oktibbeha Consolidated School District to pay its debt to which the funds are pledged.

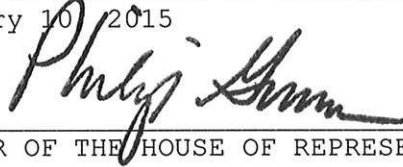
(11) It shall be the responsibility of the Board of Supervisors of Oktibbeha County to provide office, furnishing and utilities for the administrative Office of the Superintendent of the Starkville-Oktibbeha Consolidated School District.

(12) The new Starkville-Oktibbeha Consolidated School District is authorized and encouraged to develop a partnership with Mississippi State University to create a model rural education school to serve all sixth- and seventh-grade students from Oktibbeha County and a model prekindergarten program which shall also serve as a model for the education of teachers and administrators.

(13) The Board of Supervisors of Oktibbeha County shall be the "levying authority" for the Starkville-Oktibbeha Consolidated School District.

SECTION 4. This act shall take effect and be in force from and after its passage.

PASSED BY THE HOUSE OF REPRESENTATIVES
February 10, 2015



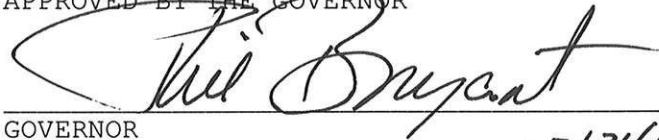
SPEAKER OF THE HOUSE OF REPRESENTATIVES

PASSED BY THE SENATE
March 10, 2015



PRESIDENT OF THE SENATE

APPROVED BY THE GOVERNOR



GOVERNOR

3/31/15

3:12pm